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CITY CLERK

2009 JUL 28 A 11: 22

CINDY MURRAY

RESOLUTION NO. 2009-12

LAFAYETTE COMMON COUNCIL

**A RESOLUTION RATIFYING AND APPROVING DESIGNATION
OF AN ECONOMIC REVITALIZATION AREA
FOR TAX ABATEMENT**

COLEMAN CABLE, INC.

WHEREAS, I.C. 6-1.1-12.1 allows a partial abatement of property taxes attributable to the rehabilitation/redevelopment of real property and/or the installation of new manufacturing equipment in "Economic Revitalization Areas" (ERA), and

WHEREAS, I.C. 6-1.1-12.1 empowers the Common Council to designate Economic Revitalization Areas (ERA), and

WHEREAS, the Common Council of the City of Lafayette, Indiana has designated the Lafayette Redevelopment Commission as the agency to make preliminary investigations, determinations, and recommendations to said Common Council as to what areas should be designated Economic Revitalization Areas (ERA), and

WHEREAS, Coleman Cable, Inc. (hereafter "applicant") has requested on July 16, 2009 that the real estate named in the attachment to this resolution, which attachment is incorporated herein by reference (hereafter "subject real estate") be designated as an Economic Revitalization Area (ERA) for the purpose of achieving property tax savings in connection with the rehabilitation/redevelopment of the subject real estate and/or the installation on the subject real estate of new manufacturing equipment, which request has been accompanied by a Statement of Benefits.

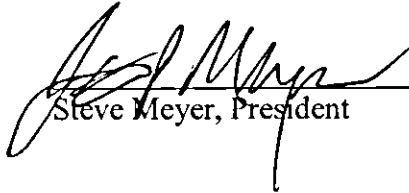
WHEREAS, the Lafayette Redevelopment Commission has recommended on July 27, 2009 in Resolution No. LRC-2009-09 that said area be designated an Economic Revitalization Area (ERA) for the purposes of tax abatement and further recommending a Memorandum of Agreement be entered into between the City and Applicant, which final form of the Agreement and other attachments is attached hereto as Exhibit A.

NOW THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF LAFAYETTE that:

1. The Common Council finds that:
 - a. the subject real estate complies with the statutory criteria for an Economic Revitalization Area (ERA); and
 - b. the estimate of the value of the rehabilitation/redevelopment and/or the cost of the new manufacturing equipment is reasonable for equipment of that type and projects of that nature; and
 - c. the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed rehabilitation/redevelopment and/or the installation of the manufacturing equipment; and
 - d. the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed rehabilitation/redevelopment and/or the installation of the manufacturing equipment; and
 - e. the tax base of the City of Lafayette and all relevant taxing districts can be reasonably expected to increase from the proposed rehabilitation/redevelopment and/or the installation of the new manufacturing equipment; and
 - f. the totality of benefits is sufficient to justify the deduction.
2. The Common Council designates, finds, and establishes the subject real estate an Economic Revitalization Area (ERA), subject to final confirmation after public hearing.
3. The Economic Revitalization Area (ERA) designation terminates ten (10) years after January 1, 2010, subject to final confirmation after public hearing. The period of deduction for an increase in assessed value resulting from rehabilitation/redevelopment is limited to ten (10) years. The period of deduction for an increase in assessed value resulting from the installation of the new manufacturing equipment is limited to seven (7) years.
4. A memorandum of agreement has been entered into under the terms and conditions as reached between the applicant and the City of Lafayette for a period during the term of the tax abatement and for a period of two years thereafter.

This resolution shall be in full force and effect from and after its passage and signing by the Mayor.

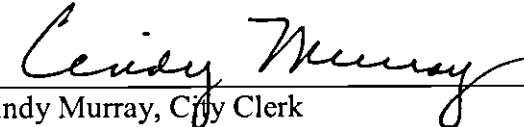
PASSED AND ADOPTED BY THE COMMONM COUNCIL OF THE CITY OF LAFAYETTE, INDIANA, this 3rd day of August, 2009.


Steve Meyer, President


ATTEST:


Cindy Murray, City Clerk

Presented by me to the Mayor of the City of Lafayette, Indiana, for his approval and signature this 3 day of August, 2009.


Cindy Murray, City Clerk

This Resolution approved and signed by me this 3 day of August, 2009.


Tony Roswarski, Mayor of Lafayette

ATTEST:


Cindy Murray, City Clerk

Sponsored by Tony Roswarski, Mayor of Lafayette



Redevelopment Department
Community Development Department

20 North 6th Street • Lafayette, Indiana 47901-1412
Phone 765-807-1090 • FAX 765-807-1099

MEMO

To: Lafayette City Council
Cindy Murray, Clerk

CC:

From: Dennis H. Carson, Director
Redevelopment Department

RE: Recommendation to establish an Economic Revitalization Area for the Purposes of Tax Abatement, Coleman Cable

Date: July 28, 2009

Coleman Cable, Inc. is requesting Tax Abatement for a ten (10) year period on an investment of \$228,827 in real estate improvements and for a seven (7) year period on an investment of \$5,238,305.81 in new manufacturing equipment in its plant at 3400 Union Street Lafayette, Indiana 47905. None of this latter investment will replace already existing manufacturing equipment. The company will add seven (7) new employees and will retain its present seventy-three (73) employees. This is the company's first request for tax abatement from the City.

Designation of a new Economic Revitalization Area (ERA) is also being requested. This will be for a period of years (10) years beginning January 1, 2009. It will end on December 31, 2018.

Previous to this, a predecessor of this company, Essex Group, Inc., received ten (10) years of tax abatement for the installation of new manufacturing equipment valued at \$10,345,000 on April 4, 1994. After Essex was purchased by Copperfield, Coleman Cable, Inc, its parent company assumed its name as the name of the company.

Now Coleman Cable, Inc., using the same facilities, is upgrading the manufacturing facility and installing bare wire fabricating equipment for electrical wire products. Salaries for production employees average about the county level (\$16.05) if benefits are included: health insurance (75%), life insurance (100%), Vacation (10 min X the # of days worked), and retirement (50%). The project will not be technology based, and it is estimated that 95% of the product made will be sold outside of the 8-county region. The equipment is new manufacturing equipment.

RECOMMENDATION: Designation of an ERA for 10 years, a 10-year Tax Abatement for real estate improvements, and a 7-year Tax Abatement on new manufacturing equipment.



RESOLUTION NO. LRC-2009-09

LAFAYETTE REDEVELOPMENT COMMISSION

**A RESOLUTION RECOMMENDING DESIGNATION OF AN
ECONOMIC REVITALIZATION AREA FOR OPPORTUNITIES FOR TAX
ABATEMENT**

COLEMAN CABLE, INC.

WHEREAS, the Common Council of the City of Lafayette, Indiana, has requested that the Lafayette Redevelopment Commission receive all applications for designation of real estate as an Economic Revitalization Area (ERA), for opportunities for tax abatement under IC 6-1.1-12.1; and

WHEREAS, the Common Council has also requested that the Lafayette Redevelopment Commission investigate such applications to determine the best interest of the City and make recommendations concerning whether the findings required by IC 6-1.1-12.1 can be made in the affirmative; and

WHEREAS, the Lafayette Redevelopment Commission has considered an application for property tax deductions for investments in real estate improvements and manufacturing equipment by Coleman Cable, Inc., dated July 16, 2009, and has reviewed Statements of Benefits for Real Property (SB-1/Real Property) and Statement of Benefits for Personal Property (SB-1/Personal Property) and other relevant information presented at their regularly scheduled meeting; and

WHEREAS, Coleman Cable, Inc. has agreed to enter into a Memorandum of Agreement setting forth certain terms and understandings related to the approval of a deduction for tax abatement purposes which is attached hereto as Exhibit A; and

WHEREAS, the area meets the criteria for designation as an Economic Revitalization Area (ERA) under IC 6-1.1-12.1.

NOW, THEREFORE, BE IT RESOLVED by the Lafayette Redevelopment Commission that the request by the Coleman Cable, Inc., for designation of an Economic Revitalization Area (ERA) be granted for a period of 10 years, beginning on January 1, 2009; and, as such, that it be entitled to the opportunity to apply for real estate and personal property tax deductions for a period of 10 years for improvements to real estate and for a period of 7 years for an investment in new manufacturing equipment; that this Resolution be forwarded to the Common Council with the recommendation that it be approved as written; and that the attached Memorandum of Agreement be approved and entered into by the Common Council.

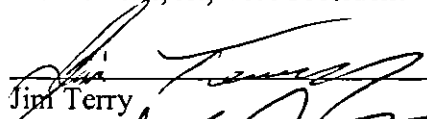
ADOPTED AND PASSED by the Lafayette Redevelopment Commission this 27nd day of July, 2009.

LAFAYETTE REDEVELOPMENT COMMISSION



Donald J. Teder, President

Jos Holman, Jr., Vice President



Jim Terry



John F. Thieme

SUMMARY OF IMPACT EVALUATIONS

COMMUNITY IMPACTS

Yes/No/N/A

- Y 1. Is the project compatible with Tippecanoe County's current comprehensive plan?
Y 2. Does the applicant own the property of the project?
N 3. Will any historic structures be demolished?
N 4. Will any historic structures be redeveloped?
N 5. Is a change in zoning necessary? From --- to ---
N 6. Are Variances or Special Exceptions needed?
N 7. Will any negative environmental impacts or pollution result from the project?
N 8. Are any environmental permits needed?
N 9. Will any households be displaced?
N 10. Will the project have a negative effect on the local housing market?
Y 11. Will the project include rehabilitation or redevelopment of existing structures?
Y 12. Will the project have other benefits on the community?
N 13. Will the project have other negative effects on the community?
N 14. Has any work begun or any equipment been ordered?

EMPLOYMENT IMPACTS

- Y 15. Will jobs be created or retained? 7 # created 73 #retained
Y 16. Will wages be equal or be above the county's average? Consult "Covered Employment and Payrolls" from *Indiana Department of Workforce Development Labor Market Information*.
Y 17. Will employees receive health insurance? 75 % paid by company
Y 18. Will employees receive retirement benefits? 50 % paid by company
Y 19. Will employees receive life insurance? 100 % paid by company
Y 20. Will employees receive other benefits? List: VACATION
Y 21. Will construction labor from the local region (Tippecanoe and contiguous counties) be used?
Y 22. Will new employees resulting from the project be hired from the local region (Tippecanoe and Contiguous counties)?

FISCAL IMPACTS

- N 23. Will the project be in competition with existing local business?
Y 24. Will the project complement existing local businesses?
N 25. Will new infrastructures, not yet in place, be required for this project?
N 26. Will the project have other special tax treatments or financing such as grants, low interest loans, etc.
N 27. Has the applicant ever applied for or benefited from tax abatement in any other project in Lafayette or elsewhere?
Y 28. Has financing for this project been approved?

PRINCIPLES

FOR CONSIDERATION OF PROPERTY TAX ABATEMENT IN LAFAYETTE, INDIANA

These principles are used in determining the guidelines and considerations for each category of project, and will also be used in determining the length of an abatement within each category.

1. Firms receiving tax abatement are expected to give local construction firms and local suppliers of goods and services the opportunity to do business.
2. Existing industry will be considered for tax abatement on the same basis as firms being recruited to the community.
3. Preference will be given to firms that diversify and fill gaps in our local economy rather than those that compete for business in the local economy with existing firms.
4. Products that are sold outside our local community and bring value to the local economy will be given a high priority.
5. Abatement will be used to recruit and assist firms that create a technology based product or service or use advanced technology in manufacturing.
6. Location in the downtown, the urban enterprise zone, or declining area designated as an economic development area will be given a higher priority.
7. Projects that involve retail or are primarily office operations will be considered only in the locations described in #6 above unless the office operations are technology related.
8. The number of jobs created per dollar of investment will be an important consideration for the warehouse distribution and manufacturing areas.
9. The level of wages and benefits will be an important consideration for all applications.
10. Housing will be evaluated in terms of percentage of units available to lower income families, mix of income levels, distance from other projects serving a similar clientele, availability of services, potential displacement of existing housing, and compatibility of design.
11. Projects will not be considered that will require variances or special exceptions unless primary review indicates that no problems will be encountered.
12. Adverse environmental impacts will negatively affect the consideration of abatement.
13. Any need for additional public infrastructure or other additional public support in the project will be considered in determining the length of the abatement.
14. Major development projects will be individually evaluated.
15. The time period of depreciation of equipment will be considered in the length of abatement for equipment.
16. Economic Revitalization Areas (ERAs) designated by the Common Council for new manufacturing equipment will include a Memorandum of Understanding that will provide for the repayment to the City of all or a portion of the tax savings realized through the designation in event that the ERA is terminated because the new manufacturing equipment is removed from the City.

**Redevelopment Commission Guidelines
For
Economic Revitalization Area Designation
City of Lafayette, Indiana**

The Lafayette Redevelopment Commission has formulated guidelines for granting requests for designation of an Economic Revitalization Area. Each category has a threshold of acceptance and a benchmark for the number of years of tax abatements. The number of years of tax abatement may be increased or decreased by the Redevelopment Commission and/or the Common Council with the addition of positive or negative factors cited. Final authority rests with the Common Council.

Manufacturing/Commercial

Threshold:

1. Development/redevelopment not begun/Equipment not ordered
2. Commercial only eligible in Central TIF
3. More than \$250,000 investment
4. Variances/special exceptions have

Benchmark:

Six (6) years – real estate
Five (5) years – equipment

Positive Factors (increase years of abatement):

1. Located in Central TIF or Urban Enterprise Zone
2. More than one (1) job created/retained per \$100,000 investment
3. Jobs are supported by product/service sales outside the Greater Lafayette area
4. Commitment to hire/train residents of the Greater Lafayette area, including for construction
5. Jobs include benefits
6. Jobs pay more than county average

Negative Factors (decrease years of abatement):

1. Location in TIF other than Central TIF
2. Jobs retained but now new jobs created
3. Prior tax abatement received

Retail

Threshold:

1. Project includes more than one (1) tenant
2. Variances/special exceptions have passed initial review
3. Development/redevelopment not begun
4. Investment more than \$250,000

Benchmark:

Three (3) years

Factors:

1. Redevelopment (rehab) rather than new development
2. Vacancies (measured in square footage, number of spaces and length of time)
3. Property taxes paid by tenant
4. Decline in assessed value
5. Impact on surrounding area

Multi-family Rental Housing

Threshold:

1. 20% of units dedicated to low and moderate income households
2. Investment of more than \$250,000 or increased assessment of at least \$50,000
3. Development or redevelopment not yet begun
4. Variances/special exceptions have passed initial review

Benchmark:

Six (6) years

Positive Factors (increase years of abatement):

1. Located in Central TIF or Urban Enterprise Zone
2. More than 40% of the units dedicated to low or moderate income households or more than 20% of units dedicated to low income households

Negative Factors (decrease years of abatement):

1. Located in TIF other than Central TIF
2. Low or moderate income households displaced
3. No units dedicated for low income households
1. Demolition or incompatible alteration of historic structures